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*Helping People Help the Land...*

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## USDA Funds Available to Assist Farmland Protection Programs

Fiscal year 2007 federal funds are available to assist units of government, Indian Tribes, and non-profit organizations to protect farmland through the purchase of conservation easements or development rights. The funds are through USDA's Farm and Ranch Lands Protection Program (FRPP). This program is designed to assist established farmland protection programs that protect our nation's dwindling base of productive agricultural lands.

Some highlights of the program (**changes from prior years noted in bold**):

- Rhode Island has received **\$2,482,299 for this program in FY 2007 (this amount is based on continuing agreement, final numbers may change)**, to purchase conservation easements on agricultural land.
- Eligible farms must have: 1) at least 50% of some combination of prime, unique, and/or farmland of Statewide importance, or be listed on (or eligible for) the National, Tribal, or State Register of Historic Places; 2) less than 67% forest land (this is a change from prior years); 3) no more than 2% of land with impervious surfaces, including greenhouses, unless granted a waiver from the NRCS State Conservationist; and 4) a conservation plan that meets NRCS standards (this can be developed following your application if not already in existence, but landowner must be aware of and in agreement with this requirement at the time of your application).
- Non-profit organizations must have farmland protection as part of their mission and have documented IRS recognition as a non-profit entity.
- Applicants must have the funds available to match the USDA funds and have the long term capacity to enforce the easements.
- Approved projects must have either at the time of application or prior to securing the easement an appraisal that conforms to both the Uniform Standards of Professional Appraisal Practice and the Uniform Appraisal Standards for Federal Land Acquisitions (commonly referred to as the "yellow book" method). Two appraisals are required to determine both the fair market value of the property BEFORE and AFTER the easement is secured. Standard agricultural or soil based values are NOT allowed to be used to determine the fair market value after the easement is secured.
- USDA funding cannot exceed 50% of the fair market value; cooperating entities provide the other 50%. Landowner donations up to 25% of the appraised fair market value may be considered part of the entity's offer. Applicants should specify the amount of USDA funds they are seeking.

- Applicant agencies/organizations must have a valid pending offer with the landowner at the time an application is submitted to the USDA-NRCS. Except in rare cases, this program provides reimbursement funds, so selected agencies/organizations will receive payment from USDA after the closing on the easement. USDA cannot fund projects where the closing was held prior to USDA entering into a cooperative agreement with successful applicants.
- Ten percent of all appraisals, the first appraisal NRCS receives by appraisers using the new yellow book method, and all appraisals of property greater than \$1,000,000 in value must have a technical review, paid for by NRCS. Appraisals of high value projects (greater than \$1,000,000 in value) must also undergo a technical review by NRCS appraisers on staff in the National office.
- All titles must be reviewed by USDA's Office of General Counsel prior to closing.
- The easement/deed language must meet a number of USDA standards, including a clause giving the USDA vested rights to the easement. This right will only be exercised should the cooperating entity abandon, fail to enforce, or attempt to terminate the conservation easement.
- Farmland owners who have an average annual adjusted gross income exceeding \$2.5 million over the past three years, for which less than 75% of the income came from farming, ranching, or forestry operations, are not eligible to receive funds from this USDA program.
- To avoid duplication and improve chances for funding, potential applicants that are partnering with other agencies/organizations on a farm project should coordinate with each other before submitting an application.
- Applicants should inform the landowner(s) of their intent to apply for USDA FRPP funds and ensure they are aware of (and agree to) USDA's requirements before the application is submitted to USDA.
- **An indication of the landowner's desire to subdivide, build additional residences, or apply for an impervious surface limitation waiver must be included in the application.**
- **A declaration of ownership of third party mineral rights also needs to be included in the application.**
- **If an application contains historic properties that are listed on federal, tribal or state registers, documentation to that affect must be provided with the application. The documentation should include a description of the property detailed enough to allow state FRPP managers to assess the monitoring needs and assess the entity's ability to carry out monitoring and enforcement. The cooperating entity must document it's ability to enforce the provisions of the conservation easement deed that apply to historic properties.**
- The **application deadline** for the fiscal year 2007 funds is **April 27, 2007**.

## Once an application has been accepted and an agreement signed:

- These agreements will only be valid for 18 months and can only be extended by the Deputy Chief for Programs, only for individual parcels, and only if extenuating circumstances exist, *(inability to raise partner funding is not considered extenuating circumstances, although a last minute loss of partner funds may be).*
- Appraisals will return to a one year life span, with an effective date of whenever the appraiser says the appraisal is effective.
- The biggest change will be the addition of Attachment B that will list the parcels from which we can replace the funded parcels on Attachment A. These parcels must be listed to establish a need for protection by the program when the agreement is signed. If the cooperating entities do not identify alternative parcels on Attachment B and the parcels on Attachment A withdraw, we will not be able to add new parcels to the agreement.
- In the past these issues have caused delays in the conservation easement deed review and approval process. The intent of these changes is to allow the state FRPP managers to develop the conservation easement deed language immediately after the cooperative agreements are signed. With the pressure to close in 18 months, we cannot afford to wait until the Office of the General Counsel notices that certain details are missing from the deed and request additional information.
- This sheet is only a summary! For more detailed information about this program, including eligibility criteria for applicants and farms, Rhode Island's FRPP rating criteria, the application process, etc. contact:

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To see the notice soliciting applications for this round of FRPP funds, go to the NRCS web site:

[www.nrcs.usda.gov/programs/frpp/](http://www.nrcs.usda.gov/programs/frpp/)

You are strongly encouraged to contact Mike Moorman prior to submitting an application to assure you have all the needed information and meet eligibility requirements